Message

From: Neal Mohan [nmohan@google.com]
Sent: 2/13/2009 8:47:46 PM
To: David Rosenblatt [drosenblatt@google.com]
Subject: Re: Atlas offering $0.015 for HP

lets have bram there too, no?

On Fri, Feb 13, 2009 at 12:47 PM, Neal Mohan <nmohan@google.com> wrote:
yes, good idea on the meeting. additionally there are all kinds of analyst resources on scheffer's and joan's teams that we could try to use.

On Fri, Feb 13, 2009 at 12:42 PM, David Rosenblatt <drosenblatt@google.com> wrote:
yes. other related points to make:
- we should look at ad serving volume in terms of dart+gam
- we should think about total return from inventory, i.e. ad sales + ad serving revenue vs total ad serving volume, right?

i'm a little worried about getting the resources to get the analysis done in time. i am going to suggest a quick call early next week for you, me, francois and dave rolefson. are you ok with that?

On Fri, Feb 13, 2009 at 3:34 PM, Neal Mohan <nmohan@google.com> wrote:
we have to build this into the display update and also make it really clear to patrick that the strategic battleground in display is publisher platform (ie, inventory). looking at dclk as a separate business and comparing cprd is silly. we should really get this through to patrick.

On Fri, Feb 13, 2009 at 12:31 PM, David Rosenblatt <drosenblatt@google.com> wrote:
you don't need to read through all of this, but the net is that the pricing wars have started again and this time atlas is around $0.005 - $0.02.

Forwarded conversation
Subject: **Atlas offering $0.015 for HP**

From: **Marc Schraer** <mschraer@google.com>
Date: Thu, Feb 12, 2009 at 10:48 PM
To: David Rosenblatt <drosenblatt@google.com>, Sean Downey <sdowney@google.com>
Cc: Andrew Rutledge <arutledge@google.com>, Ruth Kirschner <rkirschner@google.com>

David and Sean,

Neeraj from GroupM called to say they are pitching the HP business and that Atlas is offering HP a $0.015 CPM to stay with them for ad serving. HP is currently at one of the Publicis agencies (Ruth/Sean, which?) and we know that at least MEC and OMD are pitching the business. Ruth said she heard about the $0.015

CPM from OMD as well. Neeraj is getting me HP's volume, but Sean may know it from Publicis.

Neeraj wants to push DoubleClick and was calling to see if we would entertain matching the CPM straight up or with some combination of guaranteed revenue, including RM and/or Search (if they could even make this happen). He knows $0.015 is absurdly low and was just wanted to know my thoughts, no pressure attached. He said he senses a new level of desperation by Atlas in their desire to win business and wants us to be prepared for their tactics in general. His hope is to get MEC to start using DoubleClick (we have 1% of their volume) and thought HP would be a big win if he/Rob can push the agency.

I told Neeraj that we would never say no to anything without careful evaluation and that ironically David and Rob Norman are scheduled to discuss lower rates in exchange for migration of volume. He knew that David and Rob were getting together, said there's lots of interest in working with DoubleClick in a bigger way right now at GroupM and that David's name keeps popping up in conversations. As we've all discussed recently, data standardization, robust API functionality and CPM reduction are the three main drivers behind their renewed interest in DoubleClick.

As next steps, Neeraj said he would get a better sense of timing for when we would have to make a decision. He said that Rob may also reach out to David to discuss.

There are two main takeaways from this; we'll need to eventually give GroupM or some other agency a response on $0.015 for HP and $0.015 looks to be the new game-changing rate we'll face for all big accounts.

Marc

--
Marc Schraer
Team Manager, DoubleClick Sales and Account Management
Google, Inc.
mschraer@google.com
Phone: 212-381-5698
Mobile: [redacted]
Fax: 212-287-9379

From: **David Rosenblatt** <drosenblatt@google.com>
Date: Fri, Feb 13, 2009 at 6:37 AM

To: Marc Schraer <mschraer@google.com>
Cc: Sean Downey <sdowney@google.com>, Andrew Rutledge <arutledge@google.com>, Ruth Kirschner <rkirschner@google.com>

i think we need to get a sense of how low we have to go to retain the business and then wrap it into a much larger WPP deal, as you suggest marc.
i am seeing Rob in a month, so we may need to do something before then.
--
David Rosenblatt I Google I p: 212-381-5558 I f: 212.565.1601 I drosenblatt@google.com

----
From: **Marc Schraer** <mschraer@google.com>
Date: Fri, Feb 13, 2009 at 6:44 AM
To: Dave Rosenblatt <drosenblatt@google.com>, Marc Schraer <mschraer@google.com>
Cc: Sean Downey <sdowney@google.com>, Andrew Rutledge <arutledge@google.com>, Ruth Kirschner <rkirschner@google.com>

I'll speak with Neeraj. He'll give us volume and an objective view of where we need to be. We can progress from there.

From: David Rosenblatt
To: Marc Schraer
Cc: Sean Downey; Andrew Rutledge; Ruth Kirschner
Sent: Fri Feb 13 03:37:25 2009
Subject: Re: Atlas offering $0.015 for HP

From: **Sean Downey** <sdowney@google.com>
Date: Fri, Feb 13, 2009 at 9:48 AM
To: Marc Schraer <mschraer@google.com>
Cc: Dave Rosenblatt <drosenblatt@google.com>, Andrew Rutledge <arutledge@google.com>, Ruth Kirschner <rkirschner@google.com>

+ Ari so he can see Atlas' efforts to turn our business into a commodity

HP's volume is relatively small; they ran 4B in DFA volume from May through December, so call it a 6B run rate for 2008. Considering that our rate card for this volume is $0.053 with a VP/3 year discount I'd say Neeraj's intuition is correct. We also currently own the search (Performics) and rich media volume for HP.

General points of concern we should all be aware of:

- OMD in renewal negotiations today ($0.045 baseline CPM)
- Havas in renewal negotiations today ($0.039 baseline CPM and asking for @0.025)
- WPP obviously sniffing around for renewal negotiations ($0.06 with a $0.04 flip incentive)

--
Sean F. Downey
National Sales Director, Display
212.381.5326
sdowney@google.com

From: **Andrew Rutledge** <arutledge@google.com>
Date: Fri, Feb 13, 2009 at 11:44 AM
To: Sean Downey <sdowney@google.com>, Marc Schraer <mschraer@google.com>
Cc: Dave Rosenblatt <drosenblatt@google.com>, Ruth Kirschner <rkirschner@google.com>

Ruth – are we still speaking with the HP Direct team in Cali? If so, did we ever float CPM prices directly to that team? Also, has there been any other insights (in this situation) that the GMS team could lend to assist?

Also, do we know if HP is looking at running this deal domestically, or globally? If its global, clearly our story (and value prop) far exceeds any solution Atlas can provide.

AR

From: Sean Downey [mailto:sdowney@google.com]
Sent: Friday, February 13, 2009 9:48 AM
To: Marc Schraer
Cc: Dave Rosenblatt; Andrew Rutledge; Ruth Kirschner

From: **Ruth Kirschner** <rkirschner@google.com>
Date: Fri, Feb 13, 2009 at 1:13 PM
To: Andrew Rutledge <arutledge@google.com>
Cc: Sean Downey <sdowney@google.com>, Marc Schraer <mschraer@google.com>, Dave Rosenblatt <drosenblatt@google.com>

I get the sense that while price compression is something we will have to fight this year, the HP deal is not going to be the reason for moving below our current .025cpm floor

4 agencies are pitching the business. the incumbent is paying us .025 on the business. HP is annoyingly telling each shop in the pitch that they need to meet a .015cent adserving rate and a sub 50cent video rate , both below HP current price and below our floor rates. ive heard the rates attributed to both dclk and atlas, and as we know they arent dclk rates.

i think we will be able to retain the biz at the price points we have now thru publicis (which means we may need to lower another holding cos rates) but several of these are already in discussion and not a surprise to us

to answer andrew's questions: this is a global pitch and HP has never seen a direct rate from dclk . if we can market gklobal capabilities effectively we shoul be able to maintain price premium

i duggest waiting to see who the winner emerges to be and not sinking below current fllor rates for this relatively small piece of biz

excuse typos im working with one hand
Ruth Kirschner
Head Advertiser Sales, West

Google
rkirschner@google.com
415 736 5305: 0
[redacted] M

From: **Sean Downey** <sdowney@google.com>
Date: Fri, Feb 13, 2009 at 3:22 PM
To: Ruth Kirschner <rkirschner@google.com>
Cc: Andrew Rutledge <arutledge@google.com>, Marc Schraer <mschraer@google.com>, Dave Rosenblatt <drosenblatt@google.com>, Ari Paparo <apaparo@google.com>

+ Ari (but this time he's copied)

- No advocacy here for moving our floor off of one HP rate;
- The larger concern is that Atlas might run around with this rate in mass which will pose greater revenue issues than a small in scale HP;
- We need to flush the validity of HP's rate vs. fishing;
- We all know how holding companies work. If they think they know the market and they are not at it, they will want to lower their own rates in order to be competitive. Regardless of they win or lose HP. Remember the current rates for WPP and OMD, they are well above market.

--
David Rosenblatt I Google I p: 212-381-5558 I f: 212.565.1601 I drosenblatt@google.com

--
Neal Mohan | Google | 917-287-7981 | nmohan@google.com

--
David Rosenblatt I Google I p: 212-381-5558 I f: 212.565.1601 I drosenblatt@google.com

--
Neal Mohan | Google | 917-287-7981 | nmohan@google.com

--
Neal Mohan | Google | 917-287-7981 | nmohan@google.com